

## A Bureaucrat Even a Politician Can Love

By: Elizabeth Dvoskin and Kathleen Miller

In 2004, Daniel Levinson was handed the kind of assignment that can make or break a career. A veteran government auditor who oversaw contracts at the not-so-exciting U.S. General Services Administration in Washington, Levinson was bumped way up the food chain to Inspector General of the Health and Human Services Dept., a promotion that put him in charge of rooting out fraud and waste in Medicare and Medicaid. At his old job his staff scrutinized orders for toner cartridges and office space. His new gig required him to police sprawling entitlement programs that pay out more than \$2 billion in claims each day.

His first days on the job were a bit of a shock. Levinson found a bureaucracy that almost seemed engineered for exploitation. Everywhere he looked money was flying out the window because of weak or nonexistent oversight. Field investigators in Miami were close to rebellion because it often took three months to get their own department to hand over claims they suspected were phony. By the time the documents arrived, the criminals who'd filed the false papers had quit town and were on to the next scam. In Los Angeles, police stopped a group of young men tooling around in a Bentley with stacks of stolen Medicare cards in the trunk, the first evidence of an Armenian mafia whose multimillion-dollar Medicare scheme would spread to 25 states. "There were a lot of sham operations," Levinson says. "Billing was way out of whack with the demographics." To keep up, he decided to rebuild his office from scratch.

Eight years later, the professorial Levinson is regarded as one of Washington's most aggressive protectors of taxpayer dollars. His investigations have led to more charges for health-care fraud than ever before—at least 1,233 this year, up 110 percent from five years ago. Since he took the job, his office has returned about \$11 billion to the Medicare trust fund. "There has really been a sea change," says Dennis Jay, who directs the Washington-based **Coalition Against Insurance Fraud**, a group of private insurers, state agencies, and consumer groups. Julie Schoen, head of the nonprofit California Senior Medicare Patrol, which educates the elderly about scams, agrees. "We have people call us angry about fraud now. They want to volunteer because they've seen these cases in the news."

HHS has gotten a lot of attention for using the federal False Claims Act to extract large settlements from pharmaceutical companies that

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advertise drugs for uses they're not approved for, play down health risks, or pay kickbacks to doctors who prescribe their products. In 2010 drugmakers agreed to pay the government \$1.6 billion to settle such cases.

But it's the less splashy, less lucrative work of going after those who steal from the government that seems especially to animate Levinson. He has assembled an army of 800 accountants and 70 lawyers, along with a team of computer engineers who mine claims data in search of fraud in all 50 states. "It's an enormously sophisticated exercise that requires a lot of people who can understand the flow of money, the reasons for the transactions," says Levinson. To more effectively bust up prescription drug rackets, he hopes to further expand his ranks. "We could use a couple of pharmaceutical economists."

Levinson and his right-hand man, a career investigator named Gerry Roy, pushed the Centers for Medicare and Medicaid Services at HHS to grant more than 400 members of the antifraud team real-time access to claims data, a privilege once limited to a few dozen people. They sift through millions of Medicare claims to identify fraud clusters, neighborhoods and zip codes that are out of sync with national billing trends.